

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

SUN LIFE ASSURANCE COMPANY  
OF CANADA, a corporation,

Plaintiff,

v.

JAMES JACKSON, an individual;  
J. MADING INSURANCE AND  
FINANCIAL SERVICES, LLC, a  
California corporation, PACIFIC  
DENTAL SERVICES, INC., a  
California corporation; STEPHEN D.  
WATKINS, in his capacity as Trustee  
for the SPI-205 IRREVOCABLE LIFE  
INSURANCE TRUST, a California  
Trust; and FIRST INSURANCE  
FUNDING CORPORATION, an  
Illinois corporation,

Defendants.

Case No. CV 10-3791 AHM (MLGx)

**JUDGMENT ON STIPULATION  
FOR ENTRY OF JUDGMENT**

In the above-entitled cause, Plaintiff Sun Life Assurance Company of Canada (“Sun Life”) and Defendants James Jackson (“Jackson”) and J. Mading Insurance and Financial Services, LLC (“J. Mading”) (collectively, the “Defendants”), stipulated through their respective counsel that judgment may be entered herein as set forth below in accordance with a settlement reached between the parties.

1 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

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3 1. Pursuant to the Stipulation of the Parties, the Court finds that as  
4 alleged in the Complaint in this Action:

5 a. Defendants Jackson and J. Mading submitted false information  
6 during the application and claims process and provided false information to  
7 Sun Life with the knowledge that it was false, misleading and untrue.  
8 Defendants did so for the purpose of submitting and propagating two false  
9 applications for insurance (for PacDen Policy 1 and PacDen Policy 2), and a  
10 false claim for death benefits by reason of the death of Ralph Bourne. The  
11 information was supplied to Sun Life and the information given with the  
12 knowledge that Sun Life would rely upon it to issue PacDen Policy 1 and  
13 PacDen Policy 2, and to pay death benefits by reason of the death of Ralph  
14 Bourne.

15 b. Sun Life justifiably relied on the information submitted by  
16 Defendants in connection with the insurance applications for PacDen Policy  
17 1 and PacDen Policy 2 in reaching its decision to issue said policies. At the  
18 time the information was received by Sun Life and at the time Sun Life  
19 issued the policies and placed them into force and effect, Sun Life did not  
20 know, nor did it have any reason to know or suspect that the information  
21 submitted by Defendants including the census information for PacDen Policy  
22 1 and PacDen Policy 2 was false, misleading, or untrue.

23 c. Sun Life further justifiably relied on the information submitted  
24 by Defendants in connection with their claim for death benefits by reason of  
25 the death of Ralph Bourne, including a verification of employment letter  
26 purportedly prepared by Pacific Dental Services, Inc. This information was  
27 given by Defendants with the knowledge that it was false, incomplete,  
28 misleading, and untrue, and with the knowledge and hope that Sun Life

1       would rely upon it in issuing death benefit proceeds under PacDen Policy 1  
2       by reason of the death of Ralph Bourne. At the time the information was  
3       given, Sun Life did not know, nor did it have any reason to know or suspect  
4       that it was false, misleading, incomplete and/or untrue.

5           d.      Sun Life was damaged because in reliance on false information  
6       submitted, Sun Life was induced to issue PacDen Policy 1 and PacDen  
7       Policy 2, incur costs and charges associated with the issuance of said policies,  
8       pay commissions to Defendants Jackson and Mading for sale of those  
9       policies, and was induced to change its position in the context of the premium  
10      financing arrangement involving FIFC.

11          2.     Judgment is hereby entered in favor of Sun Life Assurance Company  
12       of Canada, and against Defendants James Jackson and J. Mading, in the amount of  
13       \$3,195,034.68 (to be calculated as \$4,195.034.68 less payments);

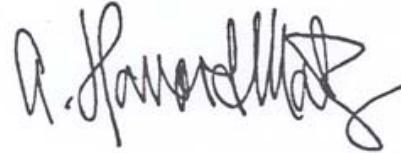
14          3.     The Court further declares that this Judgment in favor of Sun Life  
15       Assurance Company of Canada, and against Defendants Jackson and J. Mading to  
16       be (i) for money and property obtained by false pretenses, false representations, and  
17       actual fraud, (ii) based on fraud or defalcation while acting in a fiduciary capacity,  
18       embezzlement, or larceny, and (iii) based upon willful and malicious injury to the  
19       property of Sun Life, all within the meaning, scope and purpose of 11 U.S.C. §§  
20       523(a)(2)(A), (4) and (6).

21          4.     A certified copy of this judgment may be filed in the official records of  
22       the County Recorder in any county in the United States of America;

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1       5.     Each party is to bear its own costs; and  
2       6.     Interest shall accrue on this judgment at the California statutory  
3 interest rate from date of entry until full satisfaction.

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6 DATED: January 26, 2011  
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HON. A. H. MATZ  
UNITED STATES DISTRICT JUDGE